

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 254**

January 31, 2019

**SUMMARY OF BILL:** Requires the Commissioner of the Department of Finance and Administration (F&A), on or before December 1, 2019, to apply to the Secretary of the United States Department of Health and Human Services for any necessary waiver to allow the Commissioner to enter into a contract with one or more insurers or managed care organizations to provide coverage to persons who enroll in the VolunteerCare plan. The VolunteerCare plan would allow a person 55 years of age or older, but not yet eligible for coverage through the Medicare program, to purchase coverage by paying premiums and copayments.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – If the waiver amendment is approved by CMS, it is assumed the Division of TennCare would experience an increase in state expenditures to administer the program. The extent to which such expenditures will be offset with premiums and copayments from enrollees is unknown. Otherwise, any fiscal impact is considered not significant.**

Assumptions:

- The Commissioner of F&A can submit a waiver amendment utilizing existing resources without an increased appropriation or reduced reversion.
- Based on information provided by the Division of TennCare, in the past, federal officials have stated that TennCare's benefit package does not meet the requirements of health plans to be offered on the federal marketplace.
- Based on information provided by the Department of Commerce and Insurance (DCI), the DCI can license and regulate the managed care organizations that provide healthcare coverage to persons enrolled in VolunteerCare as required by applicable statutes utilizing existing resources without an increased appropriation or reduced reversion.
- It is assumed that if the waiver amendment is not approved by CMS, no action will be taken.
- If the waiver is approved by CMS, the Division will have to make the VolunteerCare plan align with the Affordable Care Act Exchange criteria.

## **IMPACT TO COMMERCE:**

**Other Commerce Impact – Due to a number of unknown factors, an exact impact to commerce and jobs in Tennessee cannot be quantified.**

Assumptions:

- It is unknown how many individuals would opt to participate in VolunteerCare, what the level of coverage would be, and what impact VolunteerCare would have on the TennCare program.
- Due to multiple unknown factors, the exact impact to commerce and jobs cannot be determined with reasonable certainty.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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